



Enercon International, Inc. Confidential Business Prospectus

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The purpose of this document is to provide an individual or organization with an overview of Enercon International, Inc., its' products and methods of operation. This should enable prospective Affiliates to assess the business potential and determine in principle, whether they are in a position to market the products and services of Enercon International and capitalize on the immediate opportunity.

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Letter from the President

Dear prospective Affiliate,

Thank you for taking the time to review the Enercon International Affiliate opportunity.

This can be and WILL be a stimulating and financially rewarding business for you and your family. I tell you that not as some paper executive that cheers you from the sidelines, but as someone who has personally had great success in the field selling and installing projects for the last almost 12 years. During that time, we have completed scored of Projects and probably over 1000 Surveys as far away as New Zealand, Middle East, Ireland, and Africa.

The best part is even though we deal with technical products the Project sale is a financial one, NOT technical. My previous background was in finance/leasing and my technical background was not as strong as my financial background when we started this business. I quickly discovered that most of the business owners were not even interested in the specifics of our technologies. They just wanted to know what it was going to cost, how much it was going to save, how fast the payback period would be and how much they would have to pay out of pocket. When we return with a professionally prepared Audit that details how they can have a fast payback Project that requires no funding because it will pay for itself from electric bill savings, with the savings guaranteed by contract, they are often pretty enthusiastic. As I said, this is a fun and very rewarding business on all levels.

Please take time to visit our web sites: www.EnerconTech and www.EnerconBiz.com if you haven't done so and especially review our Products section which will introduce you to some of the technologies we may employ in a Project and also provides many testimonials to read from various companies that have successfully employed the technologies we recommend.

If you are selected to be our Affiliate in your area, you will be the beneficiary of the most complete line of treatments available in the industry, great home office support, including my personal help and attention and comprehensive training. You are at the threshold of a business that can take you as high and far as you want to go and are willing to work.

Sincerely,

Paul J. Saxton
President
Enercon, Inc.



Company Profile & Objectives

Enercon International, Inc. is at the pioneering edge of energy conservation. Our role is to deliver proven, innovative, full facility, electrical reduction products, to meet the growing demands for reduced consumption of energy in commerce and industry.

We are a leading edge company with a fresh, clear vision of the future, continuous ongoing product development, and a management team with decades of practical experience in the field.

Enercon International, Inc. is based in Sioux Falls, South Dakota, USA. It was founded by Paul Saxton and his partner at the time. Mr. Saxton and his partner had been partners the previous 5 years in a leasing and finance company, Genesis Financial Group, which they started from scratch in 1995 and built to nearly a \$100,000,000.00 portfolio of initiated equipment leases. In early 2000 they divested their controlling interest and began Enercon, Inc. In early 2007, Mr. Saxton became the sole shareholder with the amicable purchase of his partner's stock.

The partners wanted a business that would be highly profitable and create a win-win-win scenario. They wanted to make a good living while simultaneously greatly benefiting their clients with technologies that preserved our planets precious resources. They quickly realized how wide open and unsaturated the market was even in relatively rural and low population South Dakota. They knew this was a business that could be expanded and that many Affiliates could have the same type of opportunity they did.

Before they offered the occasion for others to integrate into their business, Mr. Saxton wanted to personally market test every product and sales method so he could deliver to Affiliates a proven method for success. As of February 2003, he had already personally sold, conducted and/or installed scores of Projects and many dozens of Surveys; everything from car dealerships to grocery chains to large manufacturing and/or warehousing facilities. He will look you straight in the eye and from his experience tell you, **“you have a high probability to achieve a great deal of financial success in this business, I’ve done it, I’ve proved it, and I’ll help you to duplicate it in your area. All you have to do is follow the system and make the calls.”** The one thing we, or anyone, cannot promise, is how hard you, as an affiliate, are willing to work. You **MUST** have the drive to build a business. If so, the rewards should come.

With some individual treatments showing savings over 75% and typical full facility treatments generally demonstrating savings between 10% - 25%, Enercon Affiliates offer a positive solution to the growing energy crisis that has millions of potential applications.

Mr. Saxton has always wanted to create something different than all other companies in the energy conservation field. After researching other firms they realized few were addressing all the different electrical systems within a facility. In addition to designing, testing and manufacturing our Core Product line-up, Enercon, Inc has also acquired master level representation agreements for ALL the technologies they found had merit. The product list presented earlier in this Prospectus is the evidence of the success at achieving the goal of providing the most effective repertoire of technology aimed at reducing electricity consumption.



Once the complete line of products was in place and with years of successful, personal Project installations, Enercon International began offering the opportunity to individual Affiliates on a very limited basis. Between the summer of 2002 and the beginning of 2003, only 4 Affiliate positions were offered. After proving that the technology and marketing system were easy to duplicate accurately, Enercon began expanding its' Affiliate program more aggressively in February 2003, but still on a highly selective basis. This remains, to this day, highly selective based upon qualifications we can discuss directly with you.

Affiliates today have one of the best opportunities available: a wide open field, with proven profitability and a step-by-step plan of action for success. The corporation's objective during the next ten years is to have successful Affiliates in all 50 states, Canada, Mexico, most countries of Europe, Saudi Arabia, Australia, New Zealand, the Philippines and Japan, Malaysia, Singapore and Central and South America.

During the following five year period the company intends to seriously investigate the possibility of taking Enercon, Inc public. This will allow our affiliates to potentially benefit financially even more as a reverse rollup of our affiliates could possibly be achieved. Within 10 years the name Enercon International should be widely recognized and synonymous with sensible, energy saving technology around the globe.

The Market Potential

Enercon International offers its' Affiliates a proven suite of products able to save clients an average of 20% - 30% on facility-wide electricity costs and in excess of 75% on individual applications. Paybacks are generally between 6 – 36 months.

We offer a positive solution to the growing energy crisis while our Affiliates are able to enjoy a very high profit margin on sales.

International concerns for the environment and the need to conserve energy are likely to remain high on the agenda of most companies for many decades to come, with increasing pressure from governments to become more energy efficient.

Even though businesses have considered energy conservation for some time and beneficial treatments have been around for decades, the market for the technologies recommended by Enercon International Affiliates is virtually untapped. This is due to previously low energy rates and a market dominated by a few large companies like Johnson Controls and Honeywell and by a limited number of ESCO's and smaller equipment manufacturers. In each case, they have certain proprietary, patented products they recommend that fall far short of the wide range of treatments available to the Enercon Affiliate. Even though these large companies have been operating in the market for many years, the majority of your prospects will have had little or no energy conservation treatments.

Even if you encounter a company that initially tells you they already have been treated for energy conservation, in almost all cases you will find that the treatments you will recommend will be different



and complimentary to any treatments they have already installed.

In some cases you may encounter a company that is fairly new that will tell you they installed all of the latest and greatest energy conservation treatment when they built their plant. Congratulate them on their foresight and then explain how the treatments you might recommend will be in addition to what they have already and simply add more savings.

In a nutshell, wherever you are, it is a wide open market full of potential at almost every business you call on. However, it takes almost as much time to work with a prospective small client as it does to work with a medium sized potential client. In your training with Enercon International, you will be taught how to identify businesses that have electric bills over \$2000.00 per month which is our recommended minimum amount.

As you gain experience in the business you will begin calling on larger and larger accounts. Clients with bills in the \$10,000.00 - \$20,000.00 per month should be common and \$20,000.00 to \$50,000.00 per month fairly frequent as well. On the upper end, businesses such as mines, smelters and paper mills can have bills over \$1,000,000.00 per month!

How many companies are there that are potential customers? It has been our experience in the United States that more than half of all businesses have electric bills high enough to be considered prospective clients. Virtually every business in that group is a potential client. Here is a representative list of businesses in some states provided by the US government. Divide by 2 and you will have a good approximation of the market potential in that state.

State	Establish
United States	7,070,048
Arizona	114,804
California	799,863
Colorado	137,528
Connecticut	92,436
Florida	428,438
Illinois	308,067
Louisiana	101,016
Maine	39,466
Massachusetts	176,222
Nebraska	49,623
New York	424,784
Ohio	270,509
Pennsylvania	294,741
South Dakota	23,783
Texas	471,509



Washington

164,018

Taking even the smallest number, in South Dakota, rounding down and dividing by 2 gives the potential of at least 11,000 establishments. As you can see, even in the state with one of the smallest populations and number of business establishments, there is more business potential than there is time to see them all.

Overview of Products & Services

Enercon International has an unusual approach to providing energy conservation solutions to end user clients. Unlike most companies in this field that market a single product or a limited number of products focused on narrow applications, Enercon International assesses how every aspect of a client's electrical use can be specifically addressed utilizing a large repertoire of proven technologies.

Everybody wants to save money! The interest in the solutions we offer is phenomenal. However, it's important our products and services are presented in a professional manner. As an Enercon International Affiliate you will be trained as an Energy Conservation Consultant. As such, you will provide your clients the following three step service.

1. A no charge, no obligation Walk-through of the client's facilities.
2. After presenting the results of your initial Walk-through analysis, you will secure agreement from the client to proceed with a Site Survey. The subsequent Audit and Project design are valuable management tools.
3. The final step is to return to your client with the completed Audit and secure agreement to proceed with a Project.

How Products & Services Are Sold

Each Affiliate is supplied with a portable demonstration case containing a powerful presentation with a running motor. This demonstrates, live and in real time, the dramatic savings that can be immediately realized by our recommended treatments. The demonstration cases, along with the promotional brochures, are powerful sales aids. The demonstrations enable consultants to actually demonstrate the product's ability to dynamically reduce the amount of current drawn by an induction motor by simply plugging in a motor. Additional demonstrations can be created with various pieces of equipment to show the dynamic effects of our products.

There are five markets for Enercon International products: industrial, corporate, commercial, original equipment manufacturers and residential. Here is a synopsis of each market:



The Industrial Market

Industrial facilities use many motors and this will likely be their primary source of electricity use. Enercon International has available multiple treatments for motors both direct and indirect, including, motor controls. Many clients with large motors are experiencing outstanding results both in reduced energy cost and equally importantly improved motor efficiency and reliability.

Combining all treatments increases the additional benefits besides kilowatt reduction; primarily motors run cooler and quieter with less mechanical stress in the system.

Corporate Sales

With the rapid run up of energy prices in recent years and no end in sight, a new breed of corporate energy manager has emerged with large budgets and orders to review promising technology. These managers often report directly to the board. Many large businesses now realize that base profit levels can be dramatically improved with good energy policy.

Larger orders can be realized with a corporate headquarters policy decision involving implementation of Enercon International technologies running into thousands throughout stores or factories within the group. Affiliates with a strong professional profile can find a ready response to their sales initiatives.

Commercial Sales

By far the largest market for new Affiliates will be the Commercial sector which includes a very wide range of manufacturers and other types of business. It is an easy sector to approach and the treatment results are outstanding using a wide variety of products. The case for installing treatments recommended by Enercon International Affiliates is very logical and immensely appealing to business owners. In essence it will cost the client nothing. From the first moment your recommended products are installed they will be paying for themselves entirely out of the savings they generate; cutting costs and increasing profits. When offered to the customer on a lease there is no capital outlay other than for the first lease payment. After that, the monthly payments are always less than the projected savings, giving your clients an immediate month by month profit.

The Enercon International Affiliate Agreement provides the ambitious business professional with the opportunity to develop substantial long-term business on a local, regional or even national scale. This may include working strictly on referral with a wide range of clients or a sharply focused effort within a specific market sector.

During your first 12 – 24 months we highly recommend that you focus most of your efforts on the commercial market. That is the one that you will be able to establish a substantial cash flow in the



shortest time, without incurring the need for in depth technical knowledge.

Original Equipment Manufacturers

Some of our recommended products can be supplied as an integrated unit which can be designed into equipment at the manufacturing stage, giving the customer a very unique marketing edge over their competition. Enercon International has proprietary relationships with most of it's' manufacturers making our products unavailable through traditional outlets. Propositions by Affiliates to Equipment Manufacturers can be with enthusiasm.

Residential Sales

A solid business may be founded on a residential sales basis. With the imminent release of the world's first actually effective "full house" unit, the residential market opens up for the Enercon affiliate. The per sale dollar amount will also be dramatically smaller than commercial, industrial or corporate sales. The upside is there are many millions more homes than businesses and the residential products can be sold without Surveys or installation. Surveys are unnecessary and installation is simple enough that it can be performed quickly by a local contractor.

These types of products lend themselves to volume sales at home shows and similar venues.

Training & Support

Naturally there will be many questions at this point. Rest assured that anything not answered in the Prospectus will be covered in our comprehensive training. The basic training is enhanced by a myriad of additional structures and supports to ensure that all aspects of technologies and sales methods are explained.

Enercon International's dedication to continual, fast response, comprehensive Affiliate support is one of your strongest assets for success. During his first 3 years in the business, Mr. Saxton had the opportunity to observe several other companies that had purchased dealerships with various manufacturers fail in their business because they received virtually no home office support. It was like the manufacturer had taken their money and said, "Thank you very much", and then with a wave of their hand, "good luck out there".

Mr. Saxton determined that Enercon International was going to set the standard for Affiliate support. He has instilled the company with the mission to provide every Affiliate with all the tools necessary for success, comprehensively and in a timely manner. Whether it is leasing information or technical expertise, he wants the Affiliates to know that the Enercon International is their staff of experts. Need technical advice? Call the home office. Need an electrical engineer to talk on the phone to engineers at your client's office? Call engineering or call the home office. Need a Power Engineer to come on site



to help with an industrial Site Survey? Set it up with the home office.

Here are some of the specific things Enercon International provides for Affiliate support:

- A three day intensive new Affiliate seminar at corporate Headquarters in Sioux Falls, South Dakota, USA. The corporation will pick up the cost of your hotel stay during the training. Classes will be taught by both sales and technical experts. Every instructor in the class is someone with personal field experience marketing and installing Enercon International's recommended treatments. During the 3 days you will learn our proprietary methods for identifying and contacting new prospective clients. You will be shown how to conduct both Walk-throughs and site Surveys. You will also be taught how to do our simple but powerful demonstrations that will leave your clients amazed at how effectively our recommended treatments work. You will be introduced in greater detail to all of the products, as well as instructed in the necessary actions to take to properly set up your business.
- You will be provided a complete set of site Survey forms.
- You will be provided with an initial supply of corporate folders, color brochures and product leaflets, plus, master artwork for order forms, Survey forms and monitoring results, all of which can be printed with your own business name and address.
- You will have customer support staff available during normal business hours to assist you in placing orders and answering routine questions.
- Various staff members/instructors will be available for one-on-one assistance via the telephone or on site.*
- Enercon International's staff of electrical and power engineers is available to assist via the telephone and on site as required.*
- As an Affiliate you will receive Mr. Saxton's personal cell number and he will be available to help you as needed for both sales and technical questions. In some instances, on his own initiative if he feels it warrants, Mr. Saxton may choose to fly out to an Affiliates location for one-on-one assistance.

In summary, we provide everything an Affiliate needs to start their business.

* Some services of independent experts and engineers are available only on an hourly or daily fee basis. For instance, if you ask someone to fly out to your city, you would be expected to pay expenses plus their daily rate.

The Business Opportunity

Enercon International markets its' range of products exclusively through carefully chosen, regionally located Affiliates. There are no sales to retail or wholesale outlets made by the corporation. A prospect



calling into the home office will be referred to the Affiliate in that area. We believe that a successful Affiliate program is built upon a foundation of strong corporate commitment and support as well as an Affiliate with good business acumen, integrity and a strong desire to succeed.

There is no limitation on the level of growth and development for your business. You may choose to operate independently or perhaps with an electrical contractor associate or partner. You can also recruit and develop sales people by way of advertising in their local newspaper or through existing business contacts. You are free to expand your business as large as you desire. In addition to being able to pursue new business anywhere in the world, we also create Exclusive Zones for new Affiliates in areas of approximately 300,000 to 500,000 in population and will not appoint another Affiliate within the same population base as long as the current Affiliate remains active. Larger Exclusive zones including, states, provinces and countries are available for additional fees and minimum production level guarantees.

There are two market approaches available with Enercon International products. Some products can be sold as standalone treatments without site Survey requirements. The sales cycle from first contact to installation can be as short as two weeks with these items, so they are helpful in establishing a quick cash flow. Stand alone products are also useful to prove to the company that your recommended treatments work, and subsequently gain approval to complete full-facility treatment and products installation. The second sales opportunity is full treatment for a company with a wide range of products including the pre-installation site Survey and Project Design.

Whether stand alone or full facility treatment, Affiliates tend to operate on a 40% - 60% profit margin on sales. We believe that the energy conservation business is one that will allow a successful affiliate to meet and exceed any financial goals that they may have, regardless of how ambitious these financial goals may be.

The Project Design will create the maximum profit for the Affiliate while maintaining a quick payback for the client. In some instances, the profit can be lower if the equipment and installation costs are specified higher than is usually encountered. Profits can also exceed 50% in cases where the guaranteed payback period to the client was so short extra profit can be added while still maintaining an excellent payback period for the client.

Although intended mainly as the necessary first step to a full Project, the site Survey can also be a lucrative income stream and is especially useful when an Affiliate is first starting in the business as it can produce rapid income. As the Affiliate, you decide what to charge for your site Survey's above the small cost for Enercon International engineers to process the Audit and Project Design. Most small to medium business Surveys will cost the client \$2,000.00 - \$3,000.00 and should produce at least a 50% profit to the Affiliate after all expenses including electrical contractor assistance to perform the Survey.

The total dollar amount for profit goes up with the size of the Project. Ultimately, the Affiliate decides



which businesses to call on big or small. Sales of standalone products can be under \$10,000.00 while large full treatment Projects can easily exceed \$100,000.00 and even over \$1,000,000.00. A single large factory may require 1,000 – 3,000 three phase motor controllers as an example, plus many hundreds or thousands of pieces of additional treatments.

New Affiliates making their first sales will likely be putting in Projects in the \$20,000.00 to \$50,000.00 range. After some experienced has been gained, Projects ranging in the \$50,000.00 to \$150,000.00 would be expected to become more common. As they take more time to develop, some prospective Projects with potential in the \$250,000.00 - \$500,000.00 should always be in the pipeline while most emphasis is kept on the smaller, quicker to close prospective Projects.

Affiliates have the potential to negotiate some very large orders with corporate headquarters. For example, a single supermarket chain often consists of over 200 stores. The no limitation on the opportunity except what you set for yourself. Enercon International will provide all the necessary products and tools to achieve your goals in what is one of the most exciting markets available to creative business people.

Once or twice in your lifetime, if you are lucky, an opportunity comes along that can really change your life for the better if you take it. We believe that you will discover that becoming an Enercon International Affiliate is one of those opportunities.

The Next Step

If you feel you can accept the opportunity of building a profitable business with Enercon International products, let's talk. If you are already in communication with an Affiliate Manager, give them a call back to discuss the next step. If this is your first visit to our site, please call 1-605-339-1111 ext. 101 and leave your name and number after the message, or email us at info@enerconbiz.com. An Affiliate Manger will contact you shortly, usually within 24 to 48 hours. After your initial interviews it may be appropriate to come to one of our training seminars to see the products in action and go through the business step by step. Start by giving us a call or sending an email. We look forward to helping you to realize your future, the future you want to experience!